

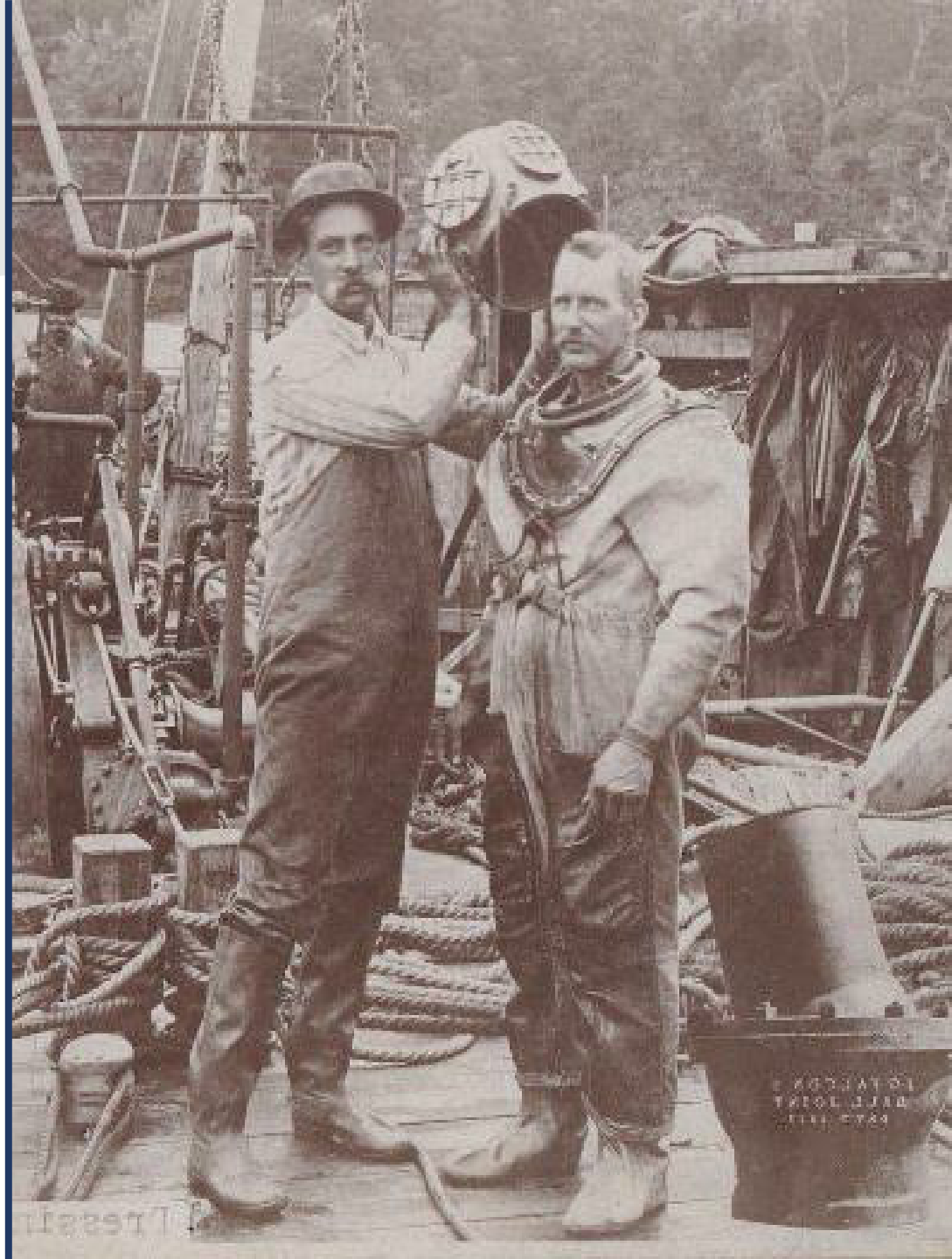
WELCOME

Our open house will begin shortly.

If you are having trouble accessing the webinar, please call Jenna Olson at:

(802) 557-5440 or email
jolson@burlingtonvt.gov

Please note this presentation will be streamed via Facebook Live, and will be aired on Channel 17.



CITY OF BURLINGTON

Water Resources Division

Rate & Affordability Project
Community Open House

April 14, 2021 | 7:00 p.m.



Project Team



Megan Moir

Division Director, Water Resources
Burlington Water Resources



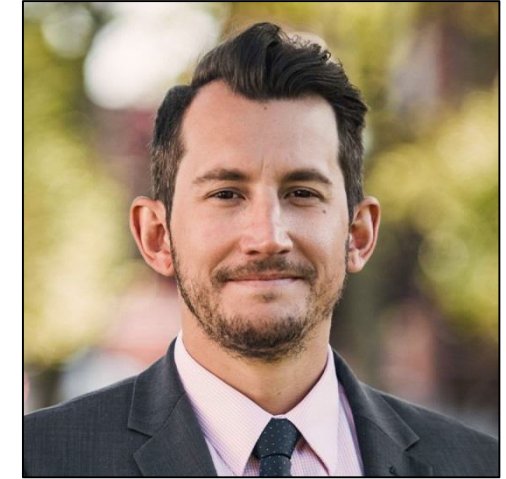
Jessica Lavalette

Customer Care & Finance Manager
Burlington Water Resources



Jenna Olson

Water Policy & Programs Manager
Burlington Water Resources



Dave Fox

Senior Project Manager
Raftelis

How To Participate Tonight

- During the presentation: Please use the “Q&A” function to share thoughts and questions, or the comments area on Facebook Live – we will note these and answer at the end.
- If you are joining by phone – we will ask you to “unmute” during the Q&A to join the discussion, you will be called by the last four digits of the phone number you are calling in from.
- After the meeting you may submit comments, questions, or account impact requests on the project website (link at the end of the presentation)



Tonight's Agenda

Topic	Approximate Time
Background & Goals of the Proposal	15 minutes
Proposed Rate & Assistance Program Changes	20 minutes
Anticipated Customer Impacts	20 minutes
Summary & Next Steps	5 minutes
Q&A	60 minutes



Rates & Affordability Refresher

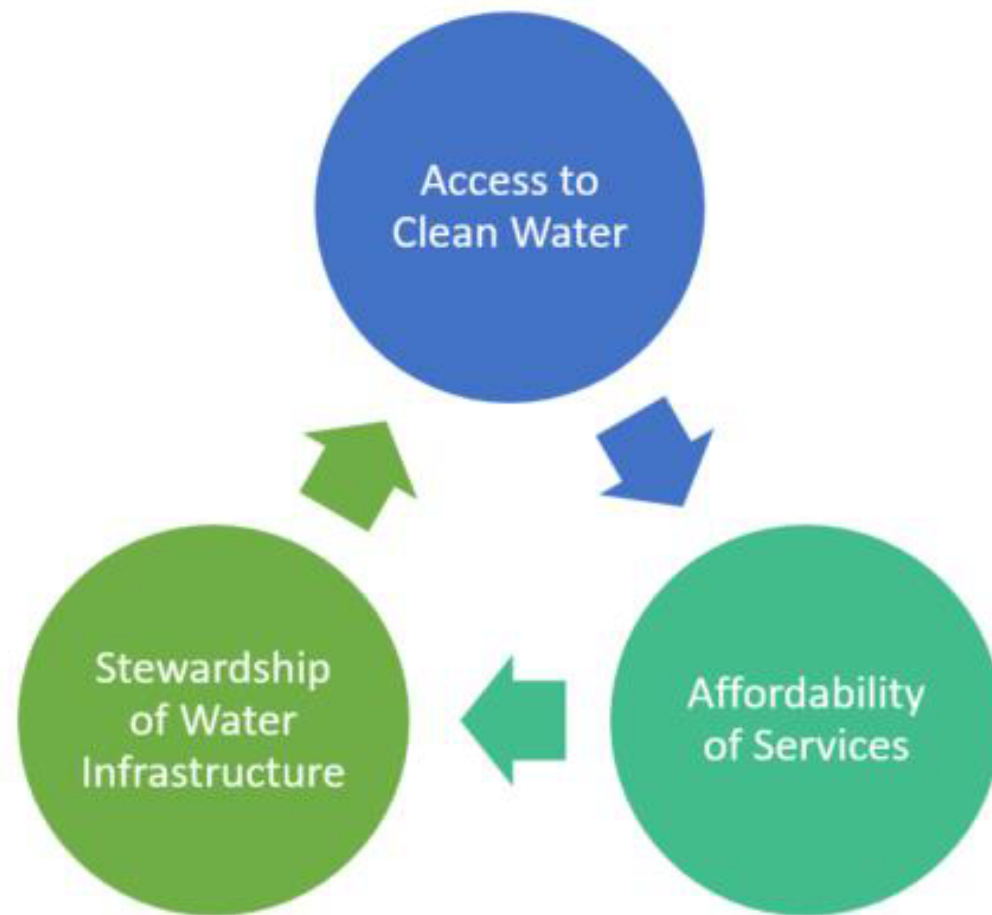


- Studied rate options keeping three objectives in mind:
 - › Ensure affordability of rates
 - › Improve financial health & sustainability, along with revenue stability
 - › Ensure rates are recouping the cost of service provided in an equitable manner

Crossroads: Core Values & Existing Rate Structure

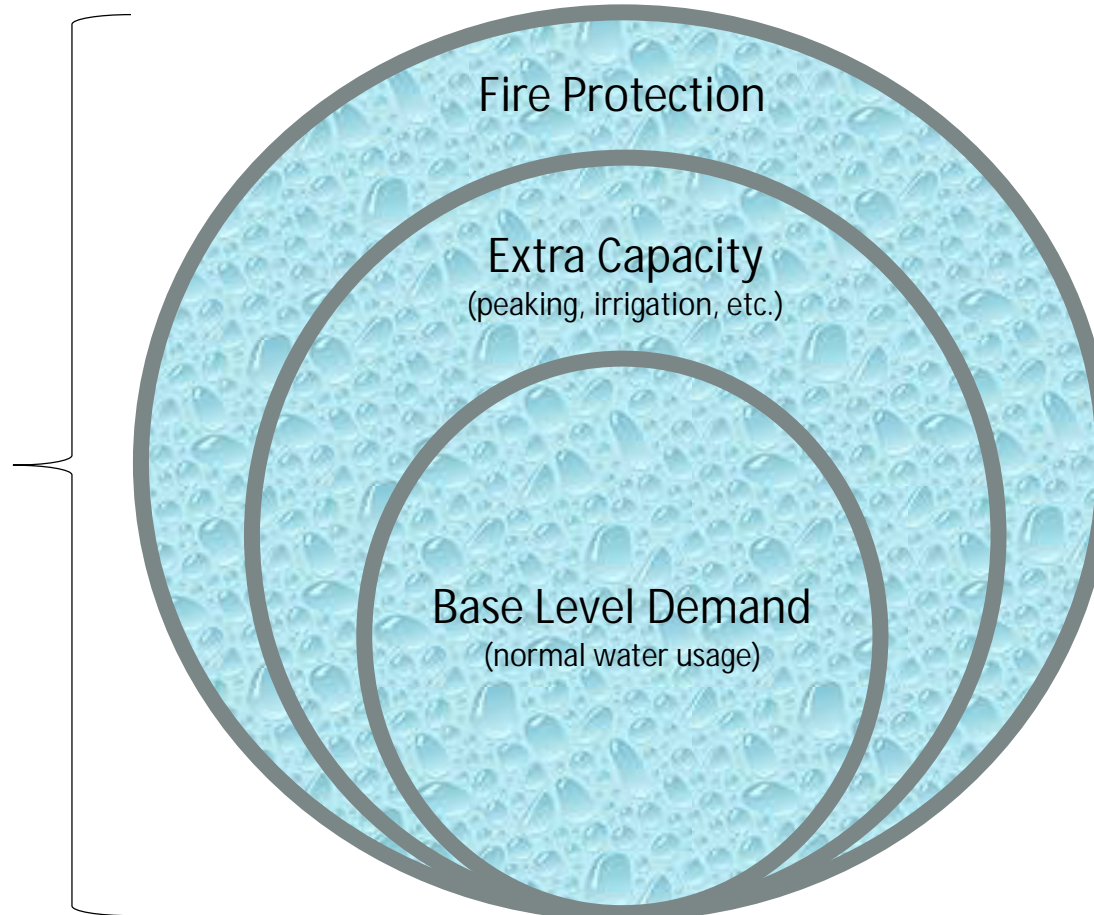
Sustainable funding is crucial to ensuring [access to clean water](#). We need money to take care of the infrastructure that produces and delivers clean, safe drinking water and collects, treats and manages wastewater and stormwater before it drains to our rivers and the lake.

When utility costs are not [affordable](#) then rate payers may not have equal access to the essential amount of water needed to live.



Goal 1 - EQUITY

Sizing requirements for
water pipes & other
water infrastructure



All customers are currently
paying the same rate.

This is not consistent with
the burden specific uses
place on the City's
infrastructure.



Proposed Rate Structure Changes

Rate Proposals		What is it?	Why do it?
Fixed Charges by Meter Size	A water and wastewater fixed charge that increases based on the size of the customer's water meter		<ul style="list-style-type: none"> • Is industry best practice – reflects cost of service for infrastructure to be “ready to serve” • Improves revenue stability and predictability • Encouraged by bond rating agencies + Reduction in fixed fee charge
Class-Based Rates	Different rates for different classes of customers		<ul style="list-style-type: none"> • Supports all residential customers (single & multi-family) • Justified based on the strains each customer type puts on the utility's infrastructure + Out of sensitivity for COVID business impacts, commercial properties will be charged the same volumetric rate as multifamily customers; but there is cost justification for commercial rate to increase in the future
Irrigation Rate	A separate, higher rate for those who solely use water for irrigation (with the exception of community gardening initiatives)		<ul style="list-style-type: none"> • Irrigation often contributes to peak water use, which necessitates system expansion and associated costs • Sends price signal to conserve water when use is not for basic needs
Private Fire Protection Charges	A separate, fixed, monthly charge that escalates with connection size for those who have private fire service or hydrants		<ul style="list-style-type: none"> • Water Resources has invested in system capacity to serve private properties during a fire event, thus the customers who benefit from this service should pay for that capacity + Phase in fee over 5 years



Goal 2 - AFFORDABILITY

Existing Assistance Options To Date

Interest-Free Payment Plans

Stormwater Credits for 'Directly Assessed' Properties

It was clear we could do more to assist customers who needed it.



Proposed Rate Affordability Options



Proposals	What is it?	Why do it?
Lifeline Rate Tier	"Essential" water consumption (below median usage) is charged at a lower rate; only applicable to single-family residential account holders	<ul style="list-style-type: none">• Discounts the first 400 cubic feet of water consumption for single-family residential properties• Incentivizes efficient water use, since water above 400 cubic feet is charged at a higher rate
Fixed-Fee Waiver	Waives the proposed fixed monthly water and wastewater charge for residential customers at or below 185% of the Federal Poverty Level.	<ul style="list-style-type: none">• Provides relief to single-family households who meet income or age eligibility criteria, and non-profit affordable senior housing developments <p>+ Include non-profit affordable or senior housing developments and senior owned single family homes as WRAP eligible</p>
Flexible Payment Terms	Encompasses existing payment plan options, but adds 'budget billing' option and arrearage forgiveness for eligible account holders.	<ul style="list-style-type: none">• Ensures customers have access to resources and assistance that will allow them to afford services and pay their bills

Note: Existing programs will remain in addition to these options.



Proposed Assistance Programs

Type	Program	Details
Infrastructure Assistance	Up to \$250 rebates for residential customers to cover costs of filming a private sewer lateral	<ul style="list-style-type: none"> • Residential property owners eligible for \$200 rebate • Income qualified customers eligible for full rebate up to \$250 • Funds to support 160-200 laterals/year • Helps property owners understand condition of lateral and plan for replacement costs • Gives City data to develop future possible loan/grant programs for sewer lateral replacement
Conservation Assistance	Up to \$75 rebates for residential customers towards purchase of WaterSense plumbing fixtures	<ul style="list-style-type: none"> • Reduces water usage through installation of low flow faucets, shower heads, and low flow and dual flush toilets • 200 rebates available
Stormwater Management Assistance	Implementing BLUE® BTV residential stormwater management grant program	<ul style="list-style-type: none"> • Provides “Lake Friendly” home evaluations to residential properties • Provides grants towards the costs of roof gutters, rain gardens, permeable pavers etc.



Addressing Affordability for More Renters

- Currently proposed WRAP Fixed Fee Waiver applies to:
 - › Single family properties where the occupant is the account holder
 - › Non-profit affordable or senior housing accounts
- Generally renters in **multi-family rentals** will not have access in this phase, Why?
 - › If City provides Fixed Fee Waiver to landlords, some landlords might not pass on affordability measure to tenants
 - › Multi-family units often share meter, so current fixed fee waiver structure not beneficial to an individual rental unit



Affordability for Renters, cont.

- Water utilities across the country are struggling to address this gap
 - › Most utilities don't have a renter specific program
 - › DC Water and NYC Water have only recently launched programs we are monitoring
- Burlington Water Resources will evaluate options for consideration by stakeholders and City Council by April 2023



Current & Proposed Rates

	Water		Wastewater		Private Fire	
	FY 21 Current	Proposed	FY 21 Current	Proposed	FY 21 Current	Proposed
<u>Fixed Charge per Month</u>						
5/8"	\$0.00	\$3.32	\$0.00	\$4.67	-	\$6.52
3/4"	\$0.00	\$4.99	\$0.00	\$7.00	-	\$6.52
1"	\$22.73	\$8.31	\$31.74	\$11.67	-	\$6.52
1.5"	\$45.51	\$16.62	\$63.55	\$23.35	-	\$6.52
2"	\$72.68	\$26.60	\$101.49	\$37.36	-	\$6.52
3"	\$145.32	\$49.87	\$202.93	\$70.05	-	\$6.52
4"	\$248.28	\$83.11	\$346.70	\$116.75	-	\$6.52
6"	\$454.12	\$166.22	\$634.14	\$233.50	-	\$18.95
8"	-	-	-	-	-	\$40.38
10"	-	-	-	-	-	\$72.62
Private Fire Hydrant	-	-	-	-	-	\$18.95
<u>Volumetric Rate (per 100 CF)</u>						
Single-family Residential	\$4.44	-	\$6.20	-		
Tier 1 (0-400 CF)	-	\$2.42	-	\$6.07		
Tier 2 (401 CF and higher)	-	\$6.05	-	\$6.07		
Duplex	\$4.44	\$4.24	\$6.20	\$6.07		
Triplex	\$4.44	\$4.24	\$6.20	\$6.07		
Multi-Family Residential	\$4.44	\$4.24	\$6.20	\$6.07		
Mixed Residential & Commercial	\$4.44	\$4.24	\$6.20	\$6.07		
Commercial	\$4.44	\$4.24	\$6.20	\$6.07		
City	\$4.44	\$4.24	\$6.20	\$6.07		
Irrigation/Heating/Cooling	\$4.53	\$7.26	\$0.00	\$0.00		



Snapshot of Possible Customer Impacts



Caveat! These are estimated customer bills based on CY19 customer class trends (Pre-Covid).

Actual bills will vary based on water consumption.

Meter size, private fire service size and # of private hydrants affects bills.

Includes a 5% increase to stormwater for all customers.

Customers should complete an "Account impact summary request form" to understand the impact to their specific bill(s).



Hypothetical Customer Type	FY 2021	FY 2022 Proposed		
	Bill (\$)	Bill (\$)	\$ Change	% Change
Single Family Residential				
Low Volume - 200 CF	\$343	\$393	\$50	14.5%
WRAP - Low Volume - 200 CF	\$343	\$297	(\$46)	-13.4%
Median Volume - 400 CF	\$608	\$604	(\$4)	-0.6%
WRAP - Median Volume - 400 CF	\$608	\$508	(\$100)	-16.4%
High Volume - 600 CF	\$872	\$905	\$33	3.8%
WRAP - High Volume - 600 CF	\$872	\$809	(\$63)	-7.2%
Multi-Family Residential				
Low Income Housing	\$66,078	\$65,243	(\$835)	-1.3%
Senior Housing	\$39,159	\$38,258	(\$901)	-2.3%
Commercial				
Technology Company	\$17,471	\$19,959	\$2,488	14.2%
Retail Company	\$27,234	\$29,210	\$1,976	7.3%
Institutions				
University	\$1,881,653	\$2,044,738	\$163,085	8.7%
UVMMC	\$742,864	\$831,670	\$88,806	12.0%
School District	\$130,170	\$142,377	\$12,207	9.4%

Customer Impacts of New Rate Structure

- ❓ All bills will vary based on actual water consumption, meter size and private fire protection
- ✓ Complete an Account Impact Summary Request to understand your specific impacts
- 💡 Think about what mitigation opportunities apply to your property

Key Drivers	Opportunities To Lower Bill	Who Is Eligible?
Fixed Meter Charge	Apply for WRAP	Single Family Households Meeting Income or Age Criteria; Non Profit Housing Developments Providing Affordable or Senior Living Units
	Request a Meter Sizing Review	All Customers with Meters Sized at 3/4" or Larger
	Evaluate Meter Removal	All Customers
Consumption Above 400 CF	Implement Conservation Strategies	All Customers
	Investigate for Internal Plumbing Leaks	
Private Fire Protection Charge	Request Verification of Pipe Diameter	All Customers with Protective Fire Infrastructure
Irrigation Rate	Evaluate Meter Removal	All Customers
	Implement Conservation Strategies	
Stormwater Rate	Apply for Stormwater Fee Credit	All Directly Assessed Customers Who Have Installed Stormwater Management Measures



Highlights

- The Wastewater, Water and Stormwater proposed FY22 budget is built to ensure proper operation and sustainable stewardship of infrastructure, with targeted funding for customer assistance programs
- Without the rate restructuring and affordability changes, all residential rate payers would see approximate 5.9% increase on their bill
- With the proposed changes:
 - › Income qualified ratepayers and seniors will see a decrease in their overall water resources bill (on average \$100/year for someone who uses 400 cu. ft./month) from this year
 - › Over 63% of single family residential ratepayers will see benefit on their water resources bill (i.e. less than a 5.9% increase)
 - › Will have established a customer class based rate structure which will allow for specific affordability based pricing of essential, residential water usage into the future



Next Steps

❑ Continuous Improvement (April 2021-July 2021)

- Incorporate feedback from all stakeholders
- Review, validate and respond to impact summary requests
- Ongoing QA/QC with data and required updates to billing system
- Draft WRAP policy and any needed ordinance changes

❑ Approvals (April 2021-June 2021)

- DPW Commission (4/21/21)
- Transportation, Energy and Utility Committee (4/27/21)
- City Council approval of rate & fee structure changes including WRAP (5/10/21)
- City Council approval of budgets & rates for FY 22

❑ Implementation (July 2021-August 2021)

- Changes will be effective beginning July 2021 and reflected on August bills
- Additional round of outreach to all customers in advance of August bills



Questions & Comments

- To ensure everyone has an opportunity to participate, we will take one question from each person and then take additional questions as time allows.
- Moderators will read questions from the “Q&A” function for presenters to answer, or from the comments section on Facebook Live.
- We will identify those joining by phone by the last 4-digits of their phone number, as ask them to unmute so they can ask their question.



To submit comments, questions, or an account impact summary request, please visit:

<https://www.burlingtonvt.gov/DPW/Water/AffordabilityProject>

